

Copper Theft Talking Points

Adam Knott

- Good morning, my name is ~~Jeff Howard~~, and I serve on the Michigan Citizen Action Board of Directors. Michigan Citizen Action is the state's largest issue-based citizen organization. Michigan Citizen Action is a champion for the rights of everyday people, earning us the grassroots support of 50,000 Michigan citizens. Michigan Citizen Action is committed to protecting consumers, their families and their communities. We are proud to join with law enforcement, and other community groups and consumer organizations in addressing the rising threat of copper theft and urging the passage of SB 720.
- I am here today to support Senate Bill 720 because metal theft, and copper in particular, has become an epidemic in the City of Detroit and a major threat to public safety.
- World demand for copper has been continuously increasing, which has caused the price of copper to soar past \$3/pound. Because of this increased price and demand, metal thefts have increased 300 percent since 2005.
- The rise in copper theft, rooted in poverty but driven by the rise in copper prices on the "grey market", poses an immediate and growing threat to Michigan consumers.
- As law enforcement has stated, copper theft poses an immediate and growing threat to public safety.
 - Every time thieves tear down a phone line or rip down a cable line, they cut off 911 services to our homes;
 - Every time thieves break into a building to rip out copper gas lines, entire neighborhoods are put at risk;
- Copper theft also hits families in the wallet.
 - Whenever phone, cable or gas lines are torn up, its consumers who ultimately pay the price to replace and repair them;
 - According to the U.S. Department of Energy, copper and metal thieves are costing us \$1 billion a year nationally;
- Copper theft also undermines communities.
 - Even occasional incidents of copper theft create what's known as the "broken window affect," making our neighborhoods less desirable to live in, and impacting home values for current residents;
- The "broken window affect" also ripples through the business community, hitting small businesses and entrepreneurs especially hard, because they operate on such small profit margins that they can't afford to be without telephone and internet service for even a short period of time.
- Telephone cables, such as AT & T's, are prime targets for theft due to high copper content. These lines are stolen each month, resulting in cut service and millions of dollars in repairs.
- In 2007, AT&T suffered from 450 separate thefts, an increase of 140% from 2006. Nearly 50,000 lines were affected last year, which to put another way, worked out to 130 customer lines **each day**. This could fill Detroit's Fox theater ten times!

- Access to 911 is diminished and threatens the well being of the public. Because of the cut in access, businesses have threatened to move out of Detroit.
- In response to this epidemic, in 2006, both the City Council of Detroit and the Michigan Legislature passed copper theft laws to crack down on second hand dealers who knowingly bought stolen scrap metal.
- We supported this action, but more needs to be done and that is why we support Senate Bill 720, which would further deter the theft of copper.
- Specifically, Senate Bill 720 will enhance current laws by requiring local government entities to license any person or business wanting to engage in the purchase and resale of scrap metal.
- Any person or business must also maintain separate records of the items purchased as well as records of persons or businesses selling scrap. Additionally, there will be new rules regarding from whom a dealer can purchase scrap, as well as tougher penalties for dealers who purchase stolen scrap metal.
- Given the threat that copper theft creates on public safety, and the impact it has on consumers and communities, Senate Bill 720 creates reasonable safeguards to protect the public from copper theft and shut down the grey market for stolen copper.

These are the exact same safeguards that have helped shut down the trafficking of stolen goods in our pawn shops and the trafficking of stolen cars and appliances at junk yards.

On behalf of Michigan Citizen Action, I hope you will extend those safeguards to the scrap metal market as well, and give law enforcement the tools they need to shut down the trafficking of stolen copper.. Thank you.